

To the Members of the California State Assembly:

I am returning Assembly Bill 1568 without my signature.

I fully support prohibiting members of a county retirement board or investment board governed by the County Employees Retirement Law of 1937 from marketing investment products to any other '37 Act county retirement fund. In fact, I believe that all board members of all of our retirement systems should be held to the highest standards and I support legislation such as this bill that removes potential conflicts of interest. In fact, the conflict of interest policy recently adopted by the State Teachers Retirement Board affecting campaign contributions and gifts limits for Board members should be a model endorsed by all county retirement boards. We need to ensure that no retirement board members have to choose between what is right for the system and what might personally or professionally benefit that board member.

This bill also requires ethics training for board members. I support ethics training for all government officials which is why I signed Assembly Bill 1234 (Chapter 700, Statutes of 2005.) Because of the provisions in that measure, I believe the training provisions in this bill are redundant and may create confusion. In addition, I am concerned that this bill may create a reimbursable state mandate. I am concerned that the Legislature was not fully informed about the fiscal impact of this bill because it was not properly vetted through the appropriate fiscal committees.

I urge the Legislature to send me a bill as soon as possible in the next session that takes into consideration my concerns.

Sincerely,

Arnold Schwarzenegger